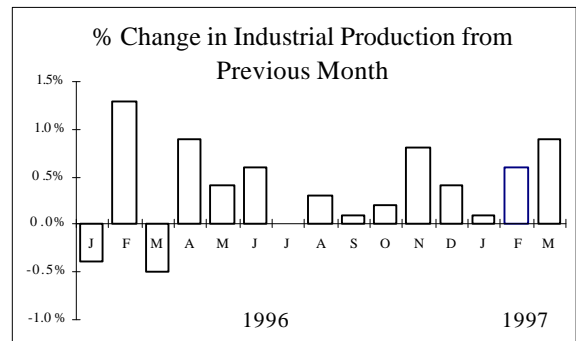
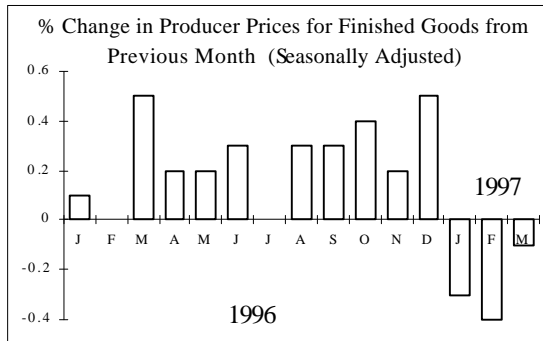


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LOWER ENERGY PRICES RESULT IN DECLINE IN PRODUCER PRICES

The Labor Department reported that producer prices for finished goods fell 0.1% in March, the third consecutive monthly decline. March's drop in prices was driven mainly by a 3.4% decline in wholesale energy prices, the largest decline since just after the Persian Gulf War. The core producer price index, which excludes the volatile food and energy sectors, rose 0.4%, the largest such increase in over a year. The rise in the core price index helps to justify the Federal Reserve's increase in interest rates.

INDUSTRIAL PRODUCTION RISES 0.9% IN MARCH

The Federal Reserve reported that Industrial Production increased by 0.9% in March, the strongest growth since April 1996. This increase was broad based with durable goods production rising by a strong 1.3%. The Federal Reserve also reported that industrial capacity utilization, an indicator of inflationary pressures in the economy, rose to 84.1%, the highest level in two years.

RUSSIAN ECONOMY GROWS IN FIRST QUARTER

The Russian government reported that in the first quarter of 1997 the Russian gross domestic product grew 0.2%, the first quarterly growth since the Soviet Union split in 1991. The World Bank predicts that the Russian economy, which has shrunk 39% since 1991, will stop contracting this year and will grow in 1998.

WORLD TRADE SLUGGISH IN 1996

The World Trade Organization (WTO) reported that world trade in goods and services grew 4% in 1996, less than half the growth experienced in the previous 2 years. The decline in trade growth is attributed to the weak European economy and a slump in demand for office and telecommunication equipment. Regions of strength in world trade last year were Latin America, helped by recovering economies in Mexico and Argentina, and the Middle East, assisted by oil price hikes. The WTO predicts that economic recovery in Europe and Russia, and strengthening economies in Latin America and Asia should result in improved growth in world trade this year.

FUEL PRICES (dollars/bbl) AND EXCHANGE RATES (foreign units/US dollars)

	<u>Apr 11</u>	<u>Apr 4</u>		<u>Apr 11</u>	<u>Apr 4</u>
Crude Oil (Foreign)	15.36	15.05	DM (Germany)	1.72	1.68
Crude Oil (Domestic)	19.53	19.13	Yen (Japan)	126.07	124.01
Pound (UK)	0.616	0.611	Peso (Mexico)	7.90	7.96
Ruble (CIS)	5735	5740	Won (S. Korea)	893	893

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